

NEWARK, MAYOR GIBSON

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January 17, 1978

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THE MISUNDERSTOOD CRISIS

BY

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For the past two decades, most Americans have lived, worked, attended school, spent their money and much of their time within cities. Urban riots, sanitation and police strikes, blackouts, congestion, air and noise pollution, unemployment, unabated street crime and the almost constant shrill of sirens are all familiar facts of life to most Americans. In addition, we as a people have analyzed, romanticized, critized and debated at length the advantages and ills of urban life. Government and the private sector have invested billions of dollars in improving the quality of life in cities; universities and experts have left no area unstudied. Yet, for all the public discussion, with all the money that has been spent, and now, some 25 years after the discovery of the "urban crisis", few people are satisfied with the services, resources, living or employment opportunities that urban America has to offer. In fact, there is substantial evidence that many believe that many American cities just do not, and cannot work; that the institutions and bureaucracies have become obsolete and dysfunctional, inhumane and no longer able to render basic human services.

It is indeed ironic therefore, that the nature and elements of the problems now faced by our cities are largely misunderstood--not only by the public, but by many government officials, policy-makers and so-called experts as well.

There has been no better, recent example of the depth of this misunderstanding than when New York City faced its fiscal crisis in 1975. For months

state and federal officials indicated that New York City was not their problem. Public sentiment nationally tended to support this view, that New York should not be "bailed out". Ignored was the fact that nearly 35 years of state and federal policies and laws had helped precipitate New York's problems and bring many other large cities, including Newark, to nearly the same point. Only after the full weight of the consequences began to sink in and after the international community voiced shock and amazement that the United States government would permit its largest and most important city to collapse, did the federal and state attitude begin the change.

We in Newark, while not sharing the exact same problems as New York, must nevertheless deal with a similar "bail-out mentality" from New Jersey State officials and legislators. The typical comment we hear when Newark seeks legislation or programs that will assist us is, "after all we've done for Newark, they still want more", and "putting money in Newark is like flushing it down the toilet". This attitude, the urban-suburban/rural tension and fight for resources is not unique to New Jersey. In fact, it exists in most states where the legislature is dominated by non-urban representatives. The feeling often runs high that too much is done for the cities to the neglect and detriment of the suburban/rural areas. The cities, it is felt, are always draining the states' resources, time and attention. Newark overshadows Plainfield, New York outweighs Syracuse; Detroit distracts from Grand Rapids; Atlanta diminishes Macon. While this is both real and a political fact of life, the reality also breeds resentment and perpetuates the misunderstanding about the urban dilemma and the anti-urban, bail-out mentality.

At the very core of the urban crisis lies our unwillingness and perhaps inability to distinguish between political acceptability and sound, necessary public policy. The issue is not whether the nation will "bail-out" its cities rather, it is how long our cities can survive subsidizing the rest of the country.

The dilemma that now faces American cities-rampant unemployment, physical and social disorganization and shrinking economies-neither happened overnight nor by some strange quirk of fate. In fact, federal and state governments have steadily and systematically eroded the capacity of our cities to perform their vital social and economic function.

Metropolitanization, the rearrangement of people and resources between the central cities and their suburbs, began in the late 1940's at a time when our economy knew no ceiling. Industrial expansion was fueled by Sputnik and was an indication of the coming Great Society. Continuing virtually unchecked until the early 1970's, metropolitanization was actually a change in the flow of talent, wealth, economic activity and governmental priorities away from the central cities to the suburbs. This movement directly affected the cities in several important ways; it reduced the prospect for economic investment and growth; it diminished political and economic power; it accelerated the rate of deterioration and neglect of cities; it increased the percentage of high cost and dependent populations within cities, it increased racial isolation both within cities and the suburbs; and, it made cities poorer-relatively and actually-due to decreased economic activity and increased costs for public services.

It must be pointed out that metropolitanization, or in this case suburbanization, did not "just happen", and then continue for 25 years of its own inertia. The process was pushed and supported by public policies which provided incentives for suburban growth and lacked measures to counter-balance and reduce the increasing problems of urban development.

Federal highway funds and programs provided access to the suburbs; federal and state tax and aid formulas favored suburban "growth" areas rather than the "over-developed" cities; public works policies and programs provided incentives for industrial and residential construction outside of the cities; to avoid being branded as an agency that would bring benefits to blacks only, the Department of Housing and Urban Development (*italics added*) increased grants-in-aid to small cities and towns and decreased the size and number of big city urban renewal projects; political patronage allowed federal citing policies to favor the south and suburban locations for federal facilities and expansion for defense contractors. These, along with other federal, state and even county policies, from the distribution of school aid and construction dollars to the location of recreational facilities, placed the cities at a distinct disadvantage.

Suburbanization changed not only the flow of resources and talent, but also the manner and scale of industrial and residential development. Growth became horizontal rather than vertical; it became mechanized and computerized rather than manual. And, in addition to the vast array of incentives, it made sound economic sense for industry, investment capital and the necessary supporting retail business to follow the resources and new markets out of the cities. Land was more

available and cheaper; taxes were lower; there was less congestion; there were fewer and in many cases no union problems; construction costs were cheaper; there were no bureaucratic tangles to unsmarl. Add to all of this the fact that cities had to cope with and absorb the brunt of the effects of inflation, the continuing in-migration of unskilled ethnics and non-whites and discrimination, and one begins to picture the burden we have placed upon our urban centers.

What must be made clear is not that the process of suburbanization was wrong and should not have happened, or that business committed some great sin in seeking to improve its economic position. Changes in the demographic and economic relations between cities and their environs are inevitable and will continue. Rather, the urban crisis is the result of our failure to enact public policies to maintain some balance between the cities and the suburbs. Earlier in our history, our social and economic scales favored urban areas; the urban crisis resulted from the flow going away from the cities. Now, we have recognized a regional imbalance that gives advantage to the sun-belt over the northeast and midwest. It is not the social and economic shifts that we must question, but our lack of policies to insure equitable distribution of our resources and services. Public policy must be a tool to establish equity, not a device for some to acquire greater wealth and power and further exacerbate disparities.

Moreover, it must be understood that throughout the movement from city to suburb, our urban areas had (and still have) only one mechanism with which to off-set the increased public service costs, inflation, the demands of organized labor and the costs associated with deterioration and neglect: the property tax.

In 1975 for example 61% of New Jersey's municipal revenues came from the property tax; in the 1950's and 1960's it was even higher. Particularly in the older, eastern and midwestern cities, where additional land is no longer available, the residents and businesses are forced to pay more taxes just to remain even. In the newer cities and in the suburbs where deterioration and abandonment are not factors, where new structures have high values, more real dollars can be generated with less tax effort.

Further, in non-urban and newly developed areas, there are fewer service requirements. Fires are less frequent and severe (many suburbs have volunteer fire departments, thereby substantially reducing costs); because county and suburban public servants are younger, salary and pension costs are less; and, because the people are younger as well as more affluent, less is spent for health and welfare. In fact, many community services including libraries, museums, civic centers, concert halls, vocational schools and, particularly, health and welfare, those things which most severely drain the budgets of urban municipalities, are regionalized. This means, of course, that the actual costs and the expenses for related services -- transportation, sanitation, utilities, etc. -- are shared by more than one governmental unit. Although the examples could go on and on, the point is simply that newer cities and suburbs are more efficient and cost-effective than our older ones.

The vital organs of this nation however, always have been and will remain, its urban centers. In the cities, the life blood of the country exists -- the very heart and source of our systems of transportation, communication, industry, banking, trade, government and learning. I believe in our cities: I believe

in their viability and in the strength and courage of the people in them. And it seems clear to me that wherever American cities are going, the rest of the country must follow.

I would counsel against believing too quickly the popular rhetoric about America becoming one gigantic suburban sprawl. Limited sources and supplies of energy make urban living more efficient and economical; inflation, diminishing available land and environmental considerations make multi-purpose and multiple-unit buildings more practical and profitable; fuel costs will force greater dependency on mass transit; and, our increasingly younger population, with its higher divorce rate and growing numbers of career women seem to have an urban preference.

Some cities however, do and will face greater problems than others. Age, shifts in the economy and demography will not permit them to remain the same. But they will survive, smaller and perhaps less glamorous, but still cities. Between 1969 and 1976, New York City reportedly lost 686,000 jobs; 2.4 million whites left central cities between 1970 and 1974, yet Washington, D. C., Atlanta and several other major cities report that their white population is on the increase. In the last 15 years, Newark has lost jobs, people and many of the things that make it a physically attractive city, but 380,000 people will not just disappear or, be ignored. Newark and other cities in better and worse circumstances, will survive; the question is how. As a source of social and cultural diversity; as a center of economic activity, learning and trade; as a

magnet for creative, new approaches to urban living and growth or, as a dumping ground for the poor, weak, untrained and unwanted? We as a nation must determine whether some of what our cities have given to the rest of the country will be returned to make urban America livable and workable.

Precisely what President Carter's National Urban Policy will be is still unclear. Judging from some of the ideas being floated by his Urban and Regional Policy Group, reduced spending remains a priority over meaningful urban revitalization. Standby authority for direct federal loans to cities; more federal tax write-offs and relief for central city businesses; tax credits for low and moderate income households; some modest additional aid through special revenue sharing; and, an increase in the urban homesteading program is a start, but modest at best. It provides limited assistance to what exists, but does not speak to generating new activity -- in housing, in significant financial assistance, in economic activity.

The urban crisis is the result of ignoring the public problems of cities for some 30 years. This, along with a systematic program of policies and laws which accelerated the urban exodus and developed the suburbs and sun-belt. To suggest that inconsistent and impotent efforts which fall well within the boundaries of political acceptability, yet, substantially short of what is required to reestablish some equity is merely a repetition of our past, and only adds to the current misunderstanding. To those outside of the cities, tax credits, the possibility of loans to municipalities and a national expenditure of 3 to 5 billion dollars appears like a meaningful program. When those of us

within the cities measure how 2, 3, or 5 billion (nationally) will go against current welfare, health, crime or housing costs, we are certain to hear, "after all we've done. . . must they be bailed out again"?

I cannot conclude without a brief reference to my own city. Much has been said and written about Newark as the "classic example" of the urban crisis extended beyond hope and recovery. Experts have examined our poverty and physical blight, questioned our institutions and the adequacy of our services. Newark has been studied, reported on, analyzed and questionnaried and called "the worst" (usually from afar) by the so-called best. Regrettably however, these experts have never chosen to see the diversity and vitality of our people, the strength of our families and neighborhoods. They have questioned the dirt on our streets, but did not look at how hard and long our citizens work or how open we are to new ideas and approaches. Some believe that Newark best represents what is wrong with urban America. But we in Newark, just as those in Beverly Hills and Princeton are part of the American house. And only by our remaining will those in more exclusive settings be legitimate. After all, it is the cities that are the foundation.

January 1978